

**Measures Restricting or Prohibiting Imports into the U. S. from Communist Countries**

Under Sections 5 and 11 of the Trade Agreements Extension Act of 1951, the President is required to take action to deny the benefits of trade agreement concessions to imports from the U.S.S.R. and its satellites and to prevent the importation of certain furs from the U.S.S.R. and Communist China. Accordingly, the United States has taken action to give formal notice of termination of commercial treaties and agreements and otherwise be relieved of its commercial obligations to the U.S.S.R., Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania.

U.S.S.R.

As required by Section #307 of the Tariff Act of 1930, the Treasury Department investigated the use of forced labor in the production of crabmeat in the Soviet Union. On the basis of its finding, the entry of this commodity into the United States was declared illegal. (Treasury Decision 5265, January 25, 1951).

On August 1, 1951, the President signed a proclamation giving effect to Sections 5 and 11 of the Trade Agreements Extension Act of 1951. As provided by Section 5 of the Act, notice was served on the U.S.S.R. on June 23, 1951, of our wish to terminate the commercial agreement of August 14, 1937, which granted that country most-favored-nation status in its trade with the United States. After the lapse of six months, as provided by the above agreement, all concessions extended to Soviet merchandise under existing trade agreements were withdrawn effective January 5, 1952, by means of a notification by the President to the Department of the Treasury. Consequently, all goods imported into the U. S. from the U.S.S.R. are now dutiable at the rates of duty specified in the Tariff Act of 1930, and do not benefit from any tariff concessions granted by the United States Government to friendly countries under our reciprocal trade agreements program.

The provisions of Section 11 of the Trade Agreements Extension Act of 1951 also came into effect on January 5, 1952, after the expiration of the commercial agreement of August 14, 1937. As provided by the Act, the Treasury Department was notified by the President that imports of seven types of furs specified in the legislation (ermine, fox, kolinsky, marten, mink, muskrat, and weasel) will be prohibited, and this prohibition is now in effect.

Poland

Effective January 5, 1952, the United States Government withdrew all trade agreement concessions from Poland by terminating the Treaty of Friendship, Commerce, and Consular Rights of 1931. This Treaty contained the most-favored-nation clause, the termination of which subjects all commodities imported from Poland to the rates of duty specified in the Tariff Act of 1930.

**\*DOC Exempt Letter On File\***

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#### Czechoslovakia

At the Sixth Session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) on September 27, 1951, it was agreed that the Government of the United States and of Czechoslovakia were free to suspend their obligations to each other. Effective November 2, 1951 the United States Government suspended all concessions made in trade agreements with regard to imports from Czechoslovakia. The effect of this action subjects all imports from Czechoslovakia to the rates of duty specified in the Tariff Act of 1930.

#### Hungary

Effective July 5, 1952, the United States Government withdrew all trade agreement concessions from Hungary by terminating the Treaty of Friendship, Commerce, and Consular Rights of 1925. This Treaty contained a most-favored-nation clause, the termination of which subjects all commodities imported from Hungary to the rates of duty specified in the Tariff Act of 1930.

#### Rumania

Effective August 1, 1951, the United States Government withdrew all trade agreement concessions from Rumania by terminating the provisional commercial agreement of 1930. This agreement provided for most-favored-nation treatment for contracting parties. Accordingly, all imports from Rumania are now subject to the rates of duty specified in the Tariff Act of 1930.

#### Bulgaria

Effective October 18, 1951, the United States Government withdrew all trade agreement concessions from Bulgaria by terminating the provisional commercial agreement of 1932. This agreement contained a most-favored-nation clause, the termination of which subjects all commodities imported from Bulgaria to the rates of duty specified in the Tariff Act of 1930. Diplomatic relations between the United States and Bulgaria have been suspended since February 1950.

#### Albania

No diplomatic relations are maintained with Albania and no commercial agreements have been in effect since the close of hostilities in 1945. All commodities imported from Albania are subject to the rates of duty in the Tariff Act of 1930.

China and North Korea

On October 12, 1950, the President signed a proclamation terminating certain U. S. tariff concessions initially negotiated with China in the General Agreement on Tariffs and Trade concluded at Geneva in 1947. This action was taken because of the withdrawal of Nationalist China from the Agreement on May 6, 1950. Not all the concessions initially negotiated with China were terminated at that time, inasmuch as in certain cases other contracting parties to the General Agreement had a substantial interest in the concessions. Action on these concessions was delayed pending consultation between the U. S. and these other contracting parties. On November 26, 1951, after such consultations were completed, the President announced the withdrawal of additional concessions to be effective January 25, 1952.

On August 1, 1951, the President signed a proclamation giving effect to Sections 5 and 11 of the Trade Agreement Extension Act of 1951, and he notified the Treasury Department in accordance with Section 5 of the Act that, after August 31, 1951, all concessions extended to merchandise from communist dominated parts of China were to be withdrawn. Consequently all goods imported into the U. S. from communist China are now dutiable at the rates of duty specified in the Tariff Act of 1930. He further advised the Treasury Department that under Section 11 of the Act, the entry, or withdrawal from warehouse, for consumption, of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furs and skins, dressed and undressed, originating in any part of communist-dominated China were to be prohibited after August 31, 1951.

Import controls with regard to Chinese and North Korean goods are exercised under the Foreign Assets Control regulations which were issued by the Treasury Department on December 17, 1950. The issuance of the regulations followed a decision of the National Security Council that, in view of the situation in Korea, such action should be taken under the Trading with the Enemy Act against Communist China and North Korea. Under these regulations the importation of Chinese and North Korean goods is prohibited without the license of the Treasury Department, and it is the policy of the Treasury Department not to license the purchase and importation of such goods.

Other Communist-Dominated Areas

The President's action under Section 5 of the Trade Agreement Extension Act of 1951, suspending the benefits of Trade Agreements after August 31, 1951, also was made applicable to Estonia, the Soviet Zone of Germany and the Soviet Sector of Berlin, any part of Cambodia, Laos and Vietnam (Associated States of Indo-China) under communist domination or control, any part of Korea under communist domination or control, the Kurile Islands, Latvia, Lithuania, Outer Mongolia, Southern Sakhalin and Tannu Tuva. While the United States has neither a trade agreement nor direct trade with Tibet, a routine administrative action suspended concessions made in trade agreements with regard to imports from Tibet after July 13, 1952. As indicated under China, imports from North Korea are also subject to the Treasury Department's Foreign Assets Control Regulations.

Soviet Zone of Germany and the Soviet Sector of Berlin

No diplomatic relations are maintained with the Soviet Zone of Germany and no agreements of any kind are in existence with that area.

Pursuant to a U. S. Treasury Decision, goods originating in the Soviet areas of occupation in Germany must now be marked "Made in Soviet-occupied Germany". This insures that the U. S. Customs Bureau will be able to identify such goods and distinguish them from goods originating in Western Germany without difficulty. All commodities imported from Soviet occupied Germany are subject to the rates of duty specified in the Tariff Act of 1930.